



**Review of Dominion Energy South Carolina, Inc.'  
Gas Rate Stabilization Act Monitoring Report for  
the Period Ending March 31, 2021**

South Carolina  
Office of Regulatory Staff

September 1, 2021

## Introduction

On February 16, 2005, the Natural Gas Rate Stabilization Act (“RSA”), S.C. Code Ann. § 58-5-400, was signed into law. The South Carolina Office of Regulatory Staff (“ORS”), in accordance with the RSA, conducted an examination of Dominion Energy South Carolina, Inc.’s (“DESC” or “the Company”) Monitoring Report for the twelve-month period ended March 31, 2021 (“Review Period”). The examination was conducted for the purpose of determining the Company’s compliance with the provisions of the RSA.

Pursuant to the RSA, the Company must file Monitoring Reports with the Public Service Commission of South Carolina (“Commission”) and the ORS on or before the fifteenth of June. In Docket No. 2021-6-G, DESC filed its Monitoring Report with the Commission on June 15, 2021 (“Company’s Request”). The Company reported in its March 31, 2021 Monitoring Report an adjusted rate of return and return on common equity of 7.41% and 8.70%, respectively. The Company’s calculation of an increase in revenue requirements totaled \$8,773,989.

In accordance with the RSA, ORS’s audit reports are provided to the Commission, the Company, and made available to all interested parties no later than the first of September. ORS’s review of DESC’s Monitoring Report focused on the Company’s adherence to the RSA and applicable Commission Orders. This report details the results of ORS’s examination.

ORS appreciates the Company’s efforts to present its books and records in an accurate and transparent manner. DESC’s responses to ORS’s discovery and questions were timely. On August 26, 2021, ORS discussed with the Company the results of its examination with the Company through an exit conference.

## RSA Rates History

In accordance with the guidelines of the RSA, the Company is entitled to an adjustment in rates to achieve a return on common equity as set by Commission Order No. 2005-619, currently 10.25%. Table 1 shows the requested and approved changes granted for prior RSA filings and a comparison to the current filing.

**Table 1:**

Docket No.	Order No.	Amount Requested	Change in Revenue per ORS Report	Amount Granted	Approved Return on Equity	Rates Effective
2017-6-G	2017-623	\$9,022,098	\$8,633,538	\$8,633,538	10.25%	11/1/2017
2018-6-G	2018-678	(\$18,737,191)	(\$19,716,936)	(\$19,716,936)	10.25%	11/1/2018
2019-6-G	2019-729	\$7,106,649	\$6,273,054	\$6,273,054	10.25%	11/1/2019
2020-6-G	2020-701	\$8,630,682	\$7,186,187	\$6,326,995	9.90%	11/1/2020
2021-6-G	TBD	\$8,773,989	\$6,992,923	TBD	10.25%	11/1/2021

## ORS Review

ORS examined the operating experience reported by the Company for the Review Period together with the associated revenue requirement calculations. The results of ORS's examination of the Monitoring Report and the underlying financial records through March 31, 2021, are contained in **Schedule 1**.

**Schedule 1** presents the Company's operating experience, rate base and rates of return for the Review Period, and the accounting and pro forma adjustments that ORS determined are necessary to normalize the Company's operations.

Utilizing the per book rate base of \$808,833,162 and net income of \$62,763,466, a rate of return was calculated on per book operations of 7.76% with a corresponding return on common equity of 9.36%. ORS accounting and pro forma adjustments decreased net income for return to \$60,321,503 and decreased rate base to \$806,339,885. A rate of return of 7.48% and a return on common equity of 9.05% were computed by ORS. After the adjustments for the proposed increase of \$6,992,923, net income for return increased to \$65,632,041. The rate of return on rate base computed by ORS, after the adjustments for the proposed increase, is 8.14%. The return on common equity is 10.25%.

**Schedule 2** presents an explanation of the accounting and pro forma adjustments ORS recommends for the Company's Monitoring Report to conform to S.C. Code Ann. §§ 58-

5-430 through 58-5-450. For comparative purposes, the adjustments of both the Company and ORS are presented on Schedule 2.

**Schedule 3** presents the calculation of the weighted cost of capital used by ORS to calculate the Company's return on common equity both before and after ORS's adjustments for the proposed increase. The rate base, as shown on Schedule 1, is allocated between long-term debt and common equity using a pro forma ratio for the Company's capital structure of 55.00% Common Equity and 45.00% Long-Term Debt.<sup>1</sup> The adjusted amount of total income for return necessary to cover an embedded cost rate of 5.56% on long-term debt is computed to be \$20,174,624. The remainder of the total income for return of \$40,146,879 is income to common equity. This produced a return of 9.05% on common equity before the proposed increase. The overall cost of capital after accounting and pro forma adjustments, prior to the proposed increase, is 7.48%. The cost of capital after the proposed increase equals 8.14%.

## Non-allowable Expenses

DESC proposed a total non-allowable expense adjustment of (\$347,430), comprised of (\$324,189) of operating and maintenance expenses - other and (\$23,241) of taxes other than income. In addition, the Company also proposed an adjustment of (\$21,288) to gross plant in service, and an adjustment of (\$684,906) to construction work in process. In compliance with DESC policy, DESC records expenses the Company identifies as non-allowable and non-utility related "below-the-line." ORS's proposed non-allowable expense Adjustment #19 is (\$662,276), comprised of (\$638,918) of operating and maintenance expenses - other and (\$23,358) of taxes other than income. In addition, ORS also proposes an adjustment of (\$21,288) to gross plant in service, and an adjustment of (\$684,906) to construction work in process. Below is a description of the categories of non-allowable expenses identified by ORS.

- Company Agrees – Expenses ORS selected for testing for which the Company agreed were non-allowable expenses.
- Development Grants and Sponsorships – Costs of sponsorships and grants to non-profit organizations that do not directly relate to the provision of safe and reliable gas operations or increase total system sales and customers.
- Spot, Service and Retirement Awards – Expenses not considered necessary for ratemaking such as employee appreciation related items.

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<sup>1</sup> The capital structure consisting of 55% Common Equity reflects the Company's actual capital structure as adjusted for rate case impairments (see Order No. 2021-570 in Docket No. 2020-125-E) as of June 30, 2021 capped at the Company's upper equity ratio band as reflected in Order No. 2018-804(A). This adjustment is discussed further in the Capital Structure section of this report.

**Table 2** below provides a summary of the non-allowable expense adjustments made by ORS.

**Table 2:**

Category	Amount
DESC's Non-Allowable Expense Adjustment #19	(\$347,430)
<b><i>Additional Adjustments Proposed by ORS:</i></b>	
Company Agrees	(\$162,863)
Development Grants and Sponsorships	(\$134,354)
Spot, Service and Retirement Awards	(\$17,629)
<b>ORS's Non-Allowable Expense Adjustment #19</b>	<b>(\$662,276)</b>

## Employee Incentive Pay and Executive Salary

Order No. 2005-619 included an adjustment to reduce employee incentive pay. In prior Monitoring Reports, DESC included an adjustment to reduce employee incentive pay to remove fifty percent (50%) of bonuses accrued at one hundred percent (100%) of target and one hundred percent (100%) of bonuses accrued above one hundred percent (100%) of target. In the 2019 Monitoring Report filed by DESC, the Company did not include any adjustments to incentive compensation. In the 2020 and 2021 Monitoring Reports, DESC included an adjustment to remove one hundred percent (100%) of bonuses accrued above one hundred percent (100%) of target. ORS's Adjustment #11 to operating and maintenance expenses - other equals (\$1,506,470) and is comprised of (\$1,479,419) of incentive pay and (\$27,051) of executives' salaries and benefits. Adjustment #11 also includes an adjustment to taxes other than income of (\$49,618) to remove the payroll taxes associated with the incentive pay and executives' salaries.

ORS recommends an adjustment of (\$1,479,419) to remove the portion of Long-Term Incentives and Short-Term Incentives for all employees allocated to South Carolina natural gas operations for the Company's Earnings Per Share ("EPS"), Return on Invested Capital ("ROIC"), and Total Shareholder Return ("TSR") goals.<sup>2</sup> ORS's recommendation to exclude incentive compensation expenses associated with EPS, ROIC, and TSR is based on the following rationale: 1) payments for financial goals are not certain; 2) earnings can be influenced greatly by factors such as customer growth and higher authorized returns that are not directly attributed to the actions of Company

<sup>2</sup> This adjustment is consistent with Commission Order No. 2019-729 in Docket No. 2019-6-G and Order No. 2021-570 in Docket No. 2020-125-E, which was a settled proceeding.

employees; and 3) incentive payments to employees should be made using increased earnings not through customer rates.

ORS also recommends an adjustment of (\$27,051) to remove fifty percent (50%) of the base pay and benefits paid to the Company's four (4) highest compensated executives during the review period. These four (4) executives' jobs duties are solely focused on increasing value for the Company's shareholders and provide no discernable additional benefit to the Company's customers.<sup>3</sup>

## Capital Structure

S.C. Code Ann. § 58-5-440 contains requirements for the March Monitoring Report and states:

(1) if the utility's earnings exceed the upper end of the range established in the order, the utility shall calculate the reduction in revenue required to lower its return on equity to the midpoint of the range established in the order; or (2) if the utility's earnings are below the lower range established in the order, the utility shall calculate the additional revenue required to increase its return on equity to the midpoint of the range established in the order.

The range is 9.75% to 10.75% with a midpoint of 10.25% return on equity established by Commission Order No. 2005-619.

The Company included in the RSA filing a capital structure for the period ending March 31, 2021 of 46.78% Long-Term Debt and 53.22% Common Equity. However, upon review, ORS noted that this capital structure included \$400 million in debt the Company planned to issue later in 2021 and two debt issuances totaling nearly \$33 million with maturity dates in August and October 2021.

Following Commission approval of the Settlement Agreement reached in Docket No. 2020-125-E, the Company's most recent rate case for electric operations, DESC provided an updated capital structure for the twelve-months ending June 30, 2021 that reflected the impairments taken as a result of the Settlement Agreement. In this updated capital structure, the Company redeemed \$30 million of the debt scheduled to mature in 2021. However, the Company did not remove the second issuance of roughly \$3 million that matured on August 15, 2021 or the \$400 million forecasted planned issuance. The

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<sup>3</sup> This adjustment is consistent with Commission Order No. 2019-729 in Docket No. 2019-6-G. This adjustment is also consistent with Order No. 2019-730 in Docket No. 2019-7-G, Order No. 2020-702(A) in Docket No. 2020-7-G, and Order No. 2021-570 in Docket No. 2020-125-E, which were settled proceedings.

forecasted planned issuance has not been completed. Therefore, ORS removed these two issuances from its calculation.

The resulting capital structure of 55.49% Common Equity and 44.51% Long-Term Debt reflects DESC's actual capital ratios as of June 30, 2021. For purposes of this Report, ORS adjusted the Company's actual capital structure to 55% Common Equity and 45% Long-Term Debt to reflect the maximum 55% Common Equity band approved by the Commission in Order No. 2018-804(A).<sup>4</sup>

## **Excess Tax Collections**

After the 2017 Tax Cuts and Jobs Act was passed into law, the Company's federal income tax rate decreased from 35% to 21%. From January 1, 2018 and continuing through October 31, 2018, the Company collected revenues from customers based on a 35% federal income tax rate. The Company refunded these through the Tax Reform Rate Rider ("decrement rider") approved by Order No. 2019-729 which expired after the last billing cycle of October 2020. A residual balance of approximately \$106,000 remains to be credited to customers. The Company proposes that balance plus accrued interest at the 3-year U.S. Government Treasury Note rate plus an all-in spread of 65 basis points be credited to customers and the balance amortized into rates until it is fully credited to customers. ORS is not opposed to the treatment proposed by the Company.

## **Settlement Agreement and General Rate Case**

On September 15, 2020 ORS and the Company filed a Settlement Agreement where, among other items, the Company agreed to file a retail natural gas general rate case proceeding with the Commission no later than April 1, 2023. The Commission approved the Settlement Agreement in Order No. 2020-701.<sup>5</sup> DESC updated its gas plant depreciation rates based on a Gannett Fleming study as of December 31, 2018 in the Company's 2020 RSA filing. ORS recommends the Commission require the Company to file an updated depreciation study related to the gas plant of DESC during the next retail natural gas general rate case proceeding. This will allow ORS and other intervening parties the opportunity to thoroughly review and evaluate the Company's proposed depreciation rates before the Commission. The Company agrees to complete a gas plant depreciation study for the upcoming retail natural gas general rate proceeding.

## **Rate Design and Allocation of Additional Revenue**

S.C. Code Ann. § 58-5-440 states, "[t]he proposed rate changes, filed by the utility, shall conform as nearly as is practicable with the revenue allocation principles contained in the

<sup>4</sup> Order No. 2018-804(A) requires DESC to maintain a Common Equity ratio of 50-55%.

<sup>5</sup> Order No. 2020-701, p. 5

most recent rate order.” ORS reviewed the Company’s proposed tariffs for conformance, as nearly as practicable, to the revenue allocation principles set out in the Company’s most recent rate order, which is Commission Order No. 2005-619 in Docket No. 2005-113-G. If the Commission approves the findings of ORS’s examination, the Company will then apply the change in revenue amount in proportion to the Company’s Request using the same criteria. ORS will verify the new rates generate the approved revenue change.

## **Revenue Verification**

ORS verified that the approved rates for April 1, 2020 through March 31, 2021 reflect actual revenues generated during the Review Period. Additionally, ORS verified the proposed revised tariffs in Exhibit B of DESC’s proposed rate adjustments will generate a revenue increase of \$8,773,989. ORS’s review determined the retail revenue target increase is \$6,992,923 compared to \$8,773,989 as proposed by the Company (See Exhibit A of the Company’s Request). ORS reduced the Company’s Request by \$1,781,066 or 20.30%. The results of ORS’s examination are shown on Schedule 1.

## **Conclusions**

ORS reviewed DESC’s Monitoring Report and conducted an examination of the Company’s books and records. ORS verified and confirmed the revenue increase for DESC totals \$6,992,923 when applying the provisions of the RSA, ORS’s recommended adjustments and guidance from prior Commission orders.



**ORS.SC.GOV**

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## Schedule 1

**Dominion Energy South Carolina, Inc., Docket No. 2021-6-G**  
**Operating Experience - Gas Operations**  
**For the Twelve-Month Period Ended March 31, 2021**

<u>Description</u>	<u>Per Regulatory Books</u>	<u>Accounting &amp; Pro Forma Adjustments</u>	<u>As Adjusted</u>	<u>Total Proposed Increase/ (Decrease)</u>	<u>Total After Proposed Increase/ (Decrease)</u>
<b><u>Operating Revenues</u></b>	\$ 418,742,393	\$ (1,634,488) (A)	\$ 417,107,905	\$ 6,992,923 (L)	\$ 424,100,828
<b><u>Operating Expenses:</u></b>					
O&M Expenses - Cost of Gas	206,394,522	-	206,394,522	-	206,394,522
O&M Expenses - Other	73,583,928	(5,406,925) (B)	68,177,003	-	68,177,003
Dep. & Amort. Expenses	36,236,559	982,688 (C)	37,219,247	-	37,219,247
Taxes Other Than Income	29,547,877	4,688,873 (D)	34,236,750	42,107 (M)	34,278,857
Total Income Taxes	11,071,576	499,559 (E)	11,571,135	1,734,229 (N)	13,305,364
<b><u>Total Operating Expenses</u></b>	<u>356,834,462</u>	<u>764,195</u>	<u>357,598,657</u>	<u>1,776,336</u>	<u>359,374,993</u>
<b><u>Total Operating Income</u></b>	<u>61,907,931</u>	<u>(2,398,683)</u>	<u>59,509,248</u>	<u>5,216,587</u>	<u>64,725,835</u>
Customer Growth	1,115,042	(43,280) (F)	1,071,762	93,951 (O)	1,165,713
Interest on Customer Deposits	(259,507)	-	(259,507)	-	(259,507)
<b><u>Net Income for Return</u></b>	<u>62,763,466</u>	<u>(2,441,963)</u>	<u>60,321,503</u>	<u>5,310,538</u>	<u>65,632,041</u>
<b><u>Rate Base:</u></b>					
Gross Plant in Service	1,447,823,692	(578,962) (G)	1,447,244,730	-	1,447,244,730
Reserve for Depreciation	528,237,838	843,273 (H)	529,081,111	-	529,081,111
Net Plant in Service	919,585,854	(1,422,235)	918,163,619	-	918,163,619
Construction Work in Process	60,509,103	(684,906) (I)	59,824,197	-	59,824,197
Accum. Deferred Income Taxes	(102,751,948)	-	(102,751,948)	-	(102,751,948)
Environmental Costs	9,070,598	-	9,070,598	-	9,070,598
Pension Deferral	4,496,398	-	4,496,398	-	4,496,398
OPEB's	(18,839,419)	289,729 (J)	(18,549,690)	-	(18,549,690)
Tax Deferrals	(75,699,298)	-	(75,699,298)	-	(75,699,298)
Unrecovered Plant Gas ERTs	594,283	-	594,283	-	594,283
Injuries & Damages	(501,261)	-	(501,261)	-	(501,261)
Materials & Supplies	16,985,565	-	16,985,565	-	16,985,565
Working Capital	9,197,991	(675,865) (K)	8,522,126	-	8,522,126
Prepayments	11,990,537	-	11,990,537	-	11,990,537
Average Tax Accruals	(14,852,055)	-	(14,852,055)	-	(14,852,055)
Customer Deposits	(10,953,186)	-	(10,953,186)	-	(10,953,186)
<b><u>Total Rate Base</u></b>	<u>808,833,162</u>	<u>(2,493,277)</u>	<u>806,339,885</u>	<u>-</u>	<u>806,339,885</u>
<b><u>Rate of Return</u></b>	<u>7.76%</u>		<u>7.48%</u>		<u>8.14%</u>
<b><u>Return on Equity</u></b>	<u>9.36%</u>		<u>9.05%</u>		<u>10.25%</u>

**Dominion Energy South Carolina, Inc., Docket No. 2021-6-G**  
**Explanation of Accounting and Pro Forma Adjustments - Gas Operations**  
**For the Twelve-Month Period Ended March 31, 2021**

Adj #	Description	Operating Revenues \$	O&M Expenses - Other \$	Depreciation & Amortization Expenses \$	Taxes Other Than Income \$	State Income Taxes @ 5.0% \$	Federal Income Taxes @ 21% \$	Customer Growth \$	Gross Plant in Service \$	Reserve for Depreciation \$	CWIP \$	OPEB's \$	Working Capital \$
<b>Accounting &amp; Pro Forma Adjustments</b>													
1	Annualize Wages, Benefits, and Payroll Taxes Per Company Per ORS		82,384 82,384		5,831 5,831	(4,411) (4,411)	(17,599) (17,599)						10,298 10,298
2	Remove Employee Clubs Per Company Per ORS			(13,635) (13,635)		682 682	2,720 2,720		(557,674) (557,674)	(260,522) (260,522)			
3	Annualize Depreciation based on Proposed Rates Per Company Per ORS			1,014,867 996,323		(50,743) (49,816)	(202,466) (198,766)			1,122,339 1,103,795			
4	Annualize Property Taxes Per Company Per ORS				4,765,194 4,765,915	(238,260) (238,296)	(950,656) (950,800)						
5	Annualize Other Post-Employee Benefits (OPEB) Per Company Per ORS		(993,834) (993,834)			49,692 49,692	198,270 198,270					289,729 289,729	(124,229) (124,229)
6	Annualize Current Pension Expense Per Company Per ORS		(799,532) (799,532)			39,977 39,977	159,507 159,507						(99,942) (99,942)
7	Annualize Insurance Expense Per Company Per ORS		96,644 96,644			(4,832) (4,832)	(19,280) (19,280)						12,081 12,081
8	Tax Effect of Annualized Interest Per Company Per ORS					3,227 115,034	12,875 458,986						
9	WNA Deferral Adjustment Per Company Per ORS	(1,302,273) (1,302,273)			(8,147) (7,841)	(64,706) (64,722)	(258,178) (258,239)						
10	Annualize RSA Revenue Increase (Order No. 2020-701) Per Company Per ORS	1,675,994 1,675,994			10,485 10,092	83,275 83,295	332,269 332,347						
11	Incentive Compensation Adjustment Per Company Per ORS		(304,890) (1,506,470)		(17,526) (49,618)	16,121 77,804	64,322 310,440						(38,111) (188,309)

**Dominion Energy South Carolina, Inc., Docket No. 2021-6-G**  
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**For the Twelve-Month Period Ended March 31, 2021**

Adj #	Description	Operating Revenues \$	O&M Expenses - Other \$	Depreciation & Amortization Expenses \$	Taxes Other Than Income \$	State Income Taxes @ 5.0% \$	Federal Income Taxes @ 21% \$	Customer Growth \$	Gross Plant in Service \$	Reserve for Depreciation \$	CWIP \$	OPEB's \$	Working Capital \$
12	Tax Reform Rate Rider Revenue Adjustment Per Company Per ORS	(2,273,292) (2,273,292)			(14,222) (13,744)	(112,954) (112,977)	(450,685) (450,780)						
13	Manufactured Gas Plant Expense Adjustment Per Company Per ORS		(207,764) (207,764)			10,388 10,388	41,449 41,449						(25,970) (25,970)
14	Intercompany Rent Revenue Adjustment Per Company Per ORS	148,248 148,248			927 893	7,366 7,368	29,390 29,397						
15	Charleston Air Force Base Privatization Contract Revenue Adjustment Per Company Per ORS	6,978 6,978			44 42	347 347	1,383 1,384						
16	Regulatory Liability Adjustment - Tax Reform & Gas Merger Credits Per Company Per ORS	109,857 109,857			687 661	5,458 5,460	21,779 21,785						
17	Income Tax Expense Adjustment Per Company Per ORS						399,368 399,368						
18	Normalize Bad Debt Expense to Remove Effects of Covid-19 Per Company Per ORS		(1,439,435) (1,439,435)			71,972 71,972	287,167 287,167						(179,929) (179,929)
19	Remove Costs for Ratemaking Per Company Per ORS		(324,189) (638,918)		(23,241) (23,358)	17,372 33,114	69,312 132,124		(21,288) (21,288)		(684,906) (684,906)		(40,524) (79,865)
20	Customer Growth Per Company Per ORS							- (43,280)					
<b>Total Company Accounting &amp; Pro Forma Adjustments</b>		<b>(1,634,488)</b>	<b>(3,890,616)</b>	<b>1,001,232</b>	<b>4,720,032</b>	<b>(170,029)</b>	<b>(279,053)</b>	<b>-</b>	<b>(578,962)</b>	<b>861,817</b>	<b>(684,906)</b>	<b>289,729</b>	<b>(486,326)</b>
						<b>(449,082)</b>							
<b>Total ORS Accounting &amp; Pro Forma Adjustments</b>		<b>(1,634,488)</b>	<b>(5,406,925)</b>	<b>982,688</b>	<b>4,688,873</b>	<b>20,079</b>	<b>479,480</b>	<b>(43,280)</b>	<b>(578,962)</b>	<b>843,273</b>	<b>(684,906)</b>	<b>289,729</b>	<b>(675,865)</b>
		(A)	(B)	(C)	(D)	499,559		(F)	(G)	(H)	(I)	(J)	(K)
		(E)											

**Dominion Energy South Carolina, Inc., Docket No. 2021-6-G**  
**Explanation of Accounting and Pro Forma Adjustments - Gas Operations**  
**For the Twelve-Month Period Ended March 31, 2021**

Adj #	Description	Operating Revenues \$	O&M Expenses - Other \$	Depreciation & Amortization Expenses \$	Taxes Other Than Income \$	State Income Taxes @ 5.0% \$	Federal Income Taxes @ 21% \$	Customer Growth \$	Gross Plant in Service \$	Reserve for Depreciation \$	CWIP \$	OPEB's \$	Working Capital \$
<u><b>Total Proposed Increase/(Decrease)</b></u>													
21	Adjust Revenue, Taxes & Customer Growth												
	Per Company	8,773,989			54,890	435,955	1,739,460	117,817					
	Per ORS	6,992,923			42,107	347,541	1,386,688	93,951					
<b>Total Company Proposed Increase/(Decrease)</b>		<b>8,773,989</b>	-	-	<b>54,890</b>	<b>435,955</b>	<b>1,739,460</b>	<b>117,817</b>	-	-		-	-
						<b>2,175,415</b>							
<b>Total ORS Proposed Increase/(Decrease)</b>		<b>6,992,923</b>	-	-	<b>42,107</b>	<b>347,541</b>	<b>1,386,688</b>	<b>93,951</b>	-	-		-	-
		(L)			(M)	<b>1,734,229</b>		(O)					
(N)													

## Schedule 3

**Dominion Energy South Carolina, Inc., Docket No. 2021-6-G**  
**Weighted Cost of Capital - Gas Operations**  
**For the Twelve-Month Period Ended March 31, 2021**

Description	Filed Capital Structure	Filed Calculated Ratio	Pro Forma Ratio	Regulatory Per Books				As Adjusted				After Proposed Increase/(Decrease)			
				Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return	Rate Base	Embedded Cost/Return	Overall Cost/Return	Income For Return
Long-Term Debt	\$ 3,755,787,000	46.78%	45.00%	\$ 378,372,153	5.94%	2.78%	\$ 22,475,306	\$ 362,852,948	5.56%	2.50%	\$ 20,174,624	\$ 362,852,948	5.56%	2.50%	\$ 20,174,624
Preferred Stock	100,000	0.00%	0.00%												
Common Equity	4,273,284,192	53.22%	55.00%	430,461,009	9.36%	4.98%	40,288,160	443,486,937	9.05%	4.98%	40,146,879	443,486,937	10.25%	5.64%	45,457,417
Totals	\$ 8,029,171,192	100.00%	100.00%	\$ 808,833,162		7.76%	\$ 62,763,466	\$ 806,339,885		7.48%	\$ 60,321,503	\$ 806,339,885		8.14%	\$ 65,632,041